



March 18, 2011

CC Docket No. 02-6

Request for Review

Anson

Hoke

Montgomery

Moore

Richmond

412 E. Franklin Street

Rockingham NC

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Marlene H. Dortch, Secretary
Federal Communications Commission
Office of Secretary
9300 East Hampton Drive
Capital Heights, MD 20743



RE: Request for Review
Funding Commitment Decision
Sandhill Regional Library System
Form 471 Application Number: 596639
Funding Request Number: 1646277
Billed Entity Number: 127000
FCC Registration Number: 0011791803
Service Provider: 143004930

Dear Ms. Dortch:

This letter appeals to the decision to adjust the overall funding commitment for 471 #596639. The Notification of Commitment Adjustment Letter was dated December 22, 2010. The Funding Request number is 1646277. The person who can most readily discuss this appeal with you is:

Bonita Collins
Director of Technical Services
Sandhill Regional Library System
412 East Franklin Street
Rockingham, North Carolina 28379-3607
(910) 997-3388 (910) 997-2516 - FAX
bonita.collins@srls.info

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FRN #1646277 was for Internet Access Service. The reason given for rescinding \$2,474.32 of our funding commitment is that it was determined that the 470 Form filed did not include the service which was funded in our 471 application. The notification states there was a violation of the FCC competitive bidding rules.

On August 5, 2010, SRLS received a letter requesting documentation for 471 Application 596639. As requested by the letter a copy of the Service Level Agreement contract was faxed to Robert Sheldon, PIA Initial Reviewer. Upon receipt and after careful review by Mr. Sheldon we were told that SRLS would have to reduce the funding amount because VPN services were not listed in the Form 470 for Year 2010. SRLS provided information to Mr. Sheldon showing the VPN service is part of the firewall service we were currently receiving for Internet Access. There were no extra costs involved as the package purchased (Security Package for Small Office - \$25) - see attached contract - provided those services automatically. After corresponding with Mr. Sheldon, SRLS agreed to the reduction in our Funding Decision Commitment.

A few weeks later, we received notification from Jerzy Plewa, PIA Reviewer, saying that a cost allocation and commitment adjustment or recovery of funds were being sought because SRLS did not list VPN services in the 470. This Funding Year 2008 application had been approved by SLD already and funding was received and disbursed to our service provider. SRLS did not know that having this extra service that is part of our firewall was a violation of the bidding process because it was not listed on the 470. Approval had been granted for several years by using the same information as was used in the Year 2010 application. Had SRLS known in 2008 about the issue, steps would have been taken to correct that application and future applications.

Funding was granted and there was not a problem with the Funding Year 2008 application. The reviewer at the time did not inform SRLS of a problem with the application. A Funding Commitment Decision Letter was received with the funding amount that was requested.

SRLS had no intent to violate the rules of the SLD or the E-Rate program and we assumed rules were followed. SRLS asks that this application be funded as was on the original Funding Commitment Decision Letter and that no recovery be sought in the amount of \$2,474.32

Please review our information and grant this request as SRLS is struggling to provide Internet Access services and having to refund monies will cause adjustments or reduction in these services and others.

Sincerely,



Carol G. Walters

Director of Libraries

(910) 997-3388

carol.walters@srls.info

Time Warner Cable/ITS Amendment 1 to ITS-002271

THIS AMENDMENT (Amendment 1) is entered into by and between Time Warner Cable, 2450 Perimeter Park Dr, Suite 105, Morrisville, North Carolina 27560 and Information Technology Services of 3700 Wake Forest Road, Raleigh, N.C. 27609 (ITS) as of the last date of execution below.

The parties entered into a contract, Request for Proposal (RFP) ITS-002271, dated January 11, 2006, in which Vendor provided 60 Ethernet wire centers.

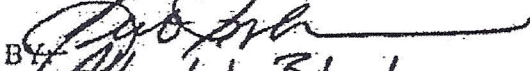
By mutual agreement and in consideration of mutual promises, ITS and Time Warner Cable now amend the Contract as follows:

Service	Monthly	11/11/2008
5M X 384k HSD	79.95	Cable Modem
5M X 1.5M HSD	159.95	Cable Modem
2M X 2M HSD	195.95	Cable Modem
7M X 2M HSD	349.95	Cable Modem
10M X 2M HSD	424.95	Cable Modem
STATIC IP 1	19.95	includes router
STATIC IP 5	29.95	includes router
STATIC IP 13	39.95	includes router
INSTALL HSD	99.95	one-time fee
SECURITY PACKAGE SMALL OFFICE (S25)	79.95	less than 25 Nodes
SECURITY PACKAGE PROFESSIONAL (P50)	99.95	less than 50 Nodes. Includes content filtering
SECURITY PACKAGE ENTERPRISE	229.95	More than or equal to 100 Nodes
	359.95	More than or equal to 200 Nodes
INSTALL SECURITY PACKAGE	250.00	one-time fee for M10, S25 or P50
	500.00	one-time fee for more than 100 Nodes
	700.00	one-time fee for more than 200 Nodes

Except as amended herein, the Contract remains in full force and effect as written. Executed by authorized officials as of the day and date indicated below.

Vendor:

Time Warner Cable


BY: 
Albert J. Blackman

VP, Sales
Office of Signer

11/14/2008
Date of Execution

ITS:

Information Technology Services

BY: 

Contract Specialist
Office of Signer

12/4/2008
Date of Execution

Carol G. Walters
Sandhill Regional Library System
412 E. Franklin Street
Rockingham, NC 28379

Billed Entity Number: 127000
Form 471 Application Number: 596639
Form 486 Application Number:



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2008-2009

March 08, 2011

Carol G. Walters
Sandhill Regional Library System
412 E. Franklin Street
Rockingham, NC 28379

Re: Applicant Name: SANDHILL REG LIBRARY SYSTEM
Billed Entity Number: 127000
Form 471 Application Number: 596639
Funding Request Number(s): 1646277
Your Correspondence Dated: February 08, 2011

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2008 Notification of Commitment Adjustment Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1646277
Decision on Appeal: **Denied**
Explanation:

- According to the Item 21, Virtual Private Network (VPN) services were requested within this FRN. VPN services are considered only Telecommunications Services. It was determined that your cited Form 470 # 493200000640350 did not post for the VPN Services in the Telecommunications service category, which is a violation of the 28 day competitive bidding requirements of this support mechanism. Program Compliance contacted the applicant and made them aware of the program violation. The applicant was requested to verify if the referenced Form 470 was in fact the establishing Form 470 for the requested service. Additionally, the applicant was given an opportunity to cite an alternate Form 470 in order to cure the program's violation. In response, the applicant stated that the Form 470 # 493200000640350 established the bidding requirement for the service being requested within this FRN. As this information was the same as the

original input, the program violation was not cured. For Funding Year 2008 FRN 1646277 is a request for Internet Access with NC Office of Information Technology Services, SPIN 143004930. This FRN was approved with a total program year pre-discounted amount of \$93,804.00. Application of the 77% discount rate resulted in \$93,804.00 being committed for this FRN. As a result of this review, the amount of \$2,772 will be rescinded ($\$300.00 \times 12 = \$3,600.00 \times 77\% = \$2,772.00$). Since the adjusted funding commitment is \$69,457.08, but \$71,931.40 in funds have been disbursed, \$2,474.32 will be recovered from the applicant. In response, the applicant did not agree with the determination. On appeal, you have failed to provide any evidence that USAC erred in its initial determination or that the applicant is in compliance with the Schools and Libraries 28 day competitive bidding requirements. Consequently, your appeal is denied.

- FCC rules require that all products and services for which an applicant requests discounts on an FCC Form 471 must be competitively bid on an FCC Form 470. The FCC Form 470 must include a complete description of the services for which discounts are sought, be posted on the website for 28 days, and applicants must carefully consider all bids received before selecting a vendor, entering into an agreement or signing a contract, and signing and submitting an FCC Form 471. *See* 47 C.F.R. secs. 54.504(a) (c), 54.511(a) and (c). These competitive bidding requirements help to ensure that applicants receive the lowest pre-discount price from vendors. *See* Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Order on Reconsideration, 12 FCC Rcd 10095, 10098, FCC 97-246 para. 9 (rel. Jul. 10, 1997). The only exceptions to the posting requirement are for: (1) contracts signed on or before July 10, 1997 for the life of the contract; and (2) contracts signed between July 10, 1997 and before January 30, 1998 (the date on which the website became operational) for products and/or services provided through June 30, 1999. *See* 47 C.F.R. sec. 54.511(c) and (d).

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company